(c) whether Government would provide adequate safeguards to prevent any possible misuse of these powers by excise authorities?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) The proposal for provisional attachment of property belonging to the Central Excise assessees and others during the proceedings is under consideration of the Government.

FDI inflow compared to China

3483. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that China attracts about 10 times more foreign direct investment than India;

(b) if so, the details of the FDI in both the countries during each of the last two years and the reasons for China attracting more FDI than India;

(c) whether Government have contemplated any steps to attract more FDI into the country; and

(d) if so, the details thereof and if not, the reasons therefore?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. According to World Investment Report—2004, of the United Nations Conference on Trade and Development, FDI in India and China during last two years was as under:

(billion of US$)

Year	China	India
2002	52.74	3.45
2003	53.51	4.27

China has a bigger market size due to higher total and per capita GDP, as well as competitive business environment and infrastructure. Further, China has more flexible labour laws and less rigid entry and exist procedures. These factors make China more attractive for FDI.

(c) and (d) Government has put in place a liberal, transparent and investor friendly FDI policy. The latest revision to further liberalise the FDI regime are as under:

(1) Increase in the FDI limits in "Air Transport Services (Domestic Airlines)" up to 49 per cent through the automatic route, and up to 100 per cent by non-resident Indians (NRIs) through the automatic route.

(2) Foreign investment in the banking sector has been further liberalized by raising FDI limit in private sector banks to 74 per cent.

(3) FDI ceiling in telecom sector has been increased from 49 per cent to 74 per cent.

(4) The guidelines pertaining to foreign/technical collaborations under automatic route for foreign financial/technical collaborations with previous ventures/tie-ups in India as per Press Note No.18 (1998) have been reviewed in order to allow new proposals for foreign investment/technical collaborations under the automatic route, subject to sectoral policies and guidelines.

Micro-Insurance Project

3484. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) the salient features of the micro-insurance project;

(b) the target beneficiaries of micro-insurance project;

(c) whether this micro-insurance project is already being implemented;

(d) if so, the details of the implementing agencies and the number of persons insured during the last two years, State-wise; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Micro-Insurance is a channel targeted to provide insurance cover to the poorer sections of the society namely BPL families, landless agricultural farmers, low income artisans etc. Micro-insurance agents, like Non Governmental Organisations (NGOs), Self-Help Groups (SHGs) and Micro Financial Institutions (MFIs), source Micro-insurance products from both life and non-life insurance companies for sale of these products to the rural as well as the urban poor. These micro-insurance products are required to be approved by the Insurance Regulatory & Development Authority (IRDA).